GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2478
ANSWERED ON:11.03.2016
Value of Rupee
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Will the Minister of FINANCE be pleased to state:

(a) the value of Indian rupee against pound, dollar and euro during each of the last 12 Months and reasons for difference/ variation, currency-wise;

(b) the type of fluctuation experienced thereof; and

(c) the strategy formulated by the Government to maintain purchasing value of rupee?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI JAYANT SINHA)

(a) & (b) The month-wise average exchange rate of the rupee vis-Ã -vis US dollar, pound and euro since March 2015 is given the table given below. The RBI reference rate for the rupee against the US dollar is the exchange rate calculated on each trading day basis by the RBI. The exchange rates of the rupee vis-Ã -vis euro and pound are derived rates based on the rupee-US dollar reference rate and the middle rates of the pound/US dollar and the euro/US dollar cross currency quotes. While on a point to point basis, large movements in exchange rate of the rupee vis-Ã -vis US dollar and other two currencies are observed between two reference points, on a longer time basis the changes in average exchange rate has been relatively less. The depreciation of Indian rupee against US dollar in 2015-16 largely reflects the general appreciation of the US dollar globally and the supply-demand imbalance in the foreign exchange market. In 2015-16 (April-February), the rupee has performed better than many major currencies of the world. During this period, euro and pound depreciated by 13.8 per cent and 6.9 per cent respectively against US dollar while Indian rupee depreciated by 6.6 per cent. Some of the important factors for the changes in exchange rate in the above period are: negative sentiments in domestic equities due to global sell off and some domestic concerns; the outlook of the US economy and the policy stance of the US Federal Reserve; the global crude oil price outlook as emanating from the news on the Iran nuclear deal; the depreciation of the Chinese currency and outlook on China's growth rate and financial market developments.

Table: Exchange Rate of the Rupee against the US dollar, pound and euro
(Monthly Average Rate)

Month	Rs. per US dollar	Rs. per pound	Rs. per euro
Mar-15	62.45	93.53	67.63
Apr-15	62.75	93.91	67.79
May-15	63.80	98.82	71.21
Jun-15	63.86	99.36	71.59
Jul-15	63.64	99.08	70.03
Aug-15	65.07	101.49	72.51
Sep-15	66.22	101.60	74.39
Oct-15	65.06	99.76	73.06
Nov-15	66.12	100.62	71.09
Dec-15	66.60	99.94	72.46
Jan-16	67.25	97.11	73.08
Feb-16	68.24	97.66	75.77

Source: RBI

(c) The exchange rate of the rupee is by and large market determined. The Government and the RBI are closely monitoring the emerging external position including exchange rate of the rupee in nominal and real terms and on an on-going basis calibrating policies or regulations to support robust macroeconomic outcome.